

July 14, 2015

A regular meeting of the Council of the Town of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., July 14, 2015.

Members present: Councilman Tim Black; Councilman Robert D. Carson; Councilman Stacey L. Hailey; Vice Mayor Steve C. Rush; Councilman Beckham A. Stanley; and Councilman James A. Vest

Members absent: Mayor Robert T Wandrei

Staff present: Town Manager Charles P. Kolakowski; Town Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher

Vice Mayor Rush opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Vice Mayor Rush declared that the minutes of a regular Council meeting held on June 23, 2015, and the minutes of an adjourned meeting held on June 24, 2015, were approved as distributed.

Town Manager Kolakowski reported on the following:

- The Town has been notified that it has received the Local Government Challenge Grant in the amount of \$5,000 for arts funding, which will be going to the Bower Center for the Arts; combined with the Town's \$5,000 contribution, the total the Center will receive will be \$10,000.
- Asked that the following resolutions be added to the agenda:

Community Business Growth Grant Application – a program that is meant to encourage new businesses to start up and current businesses to expand – it is targeted to small businesses – asked that Council support the application and commit to provide the twenty-five percent matching portion if the Town is successful.

Bedford Town Council Workshop Sessions – request for Council to hold a monthly workshop session prior to the second Council meeting of each month – it would be beneficial to the operation of the Council and for staff purposes to have more informal discussions about various issues which come up before Council for its consideration – suggested that Council have the work sessions on a trial basis for the next three months – the work sessions would start at 5:30 p.m., have an agenda, and no formal action would be taken. It would also allow the committee structure to function as it was meant to.

Mary Grace Franchi, representing the Bedford Main Street Board and the Economic Restructuring Committee, stated that the Committee meets every second and fourth

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Wednesday of the month at Acute Designs on Depot Street at 5:30 p.m. Ms. Franchi showed members of Council the new logo for Bedford Main Street. She reported that one of the projects they have been working on is the property owner's meeting – it is felt that this was a very successful meeting, not only because of the large turnout, but also because of the feedback received. Ms. Franchi said they were able to relay the message that Bedford wants to partner with property owners, business owners, and local organizations to help Bedford grow and thrive. She explained the "Survival Kits" they are putting together. The kits are a collaboration of resources for someone who is interested in starting a business in Bedford.

Councilman Stanley recognized an exchange student from Normandy, France, who was attending the Council meeting.

The following resolutions were added to the agenda:

Resolution – Community Business Growth Grant Application
Resolution – Council Workshop Sessions

Councilman Black, Chairman of the Electric Committee, said the committee met earlier in the evening and discussed the power cost adjustment. Mr. Black said that the change is that the Town is going from a fixed calculation on the power cost adjustment to a variable cost adjustment. Councilman Black said the committee also went over the status of the Centerville Road Project, which is a project where eight miles of line are being replaced. The contract has been awarded for the Centerville Project. Mr. Black said the committee got an update on the solar project that is being considered.

Vice Mayor Rush opened the public hearing at 7:12 p.m.

The Notice of Public Hearing follows:

PUBLIC HEARING NOTICE

Notice is hereby given that the Town Council of the Town of Bedford, Virginia, at 7:00 PM on Tuesday, June 23, 2015, will hold a public hearing at the council hall in the Town municipal building at 215 E. Main Street, Bedford, Virginia, 24523 to consider an ordinance for an Electric Fund FY 2015 Budget Amendment.

Virginia Code §15.2-2507 provides that any locality may amend its budget to adjust the aggregate amount to be appropriated during the fiscal year as shown in the currently adopted budget; provided, however, any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by first publishing a notice of a meeting and holding a public hearing before amending the budget. This Code section applies to all locality funds, i.e.,

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General Fund, Enterprise Fund, Capital Fund, etc. Town staff has reviewed the adopted budget appropriation for the Electric Fund for Fiscal Year 2015 and has deemed it necessary to appropriate additional funds in order not to exceed the total budget appropriation for the year. Because the cumulative amount of the appropriations exceeds one percent of the currently adopted budget, a budget amendment public hearing is required.

A copy of the full text of the proposed ordinance, including the increase as proposed, and other information concerning the documentation for the proposed increase are available for inspection by the public in the Office of the Clerk of the Town Council, Town Manager's office, 215 E. Main Street, Bedford, Virginia 24523.

By Order of the Clerk of the
Town Council

As there were no comments, the Vice Mayor closed the public hearing at 7:12 p.m.

Town Manager Kolakowski reported that the Town Council in the last part of 2014 and early 2015 considered reports from national recognized consulting firms dealing with administration and operation of the electric department and the electric facility owned by the Town of Bedford. One of the recommendations of the consulting firms was that the Town adopt a new power cost adjustment factor to better deal with increases in the costs of power from time to time, and the way that the Town adjusts its rates to meet such rises in costs. The consultants also discovered in the Town's electric rates found in the tariffs that there was a loss of electric power (and consequently money) in the existing tariff rates due to transmission line losses which were expenses of operation that were not being passed on to the customers as part of the power costs found in the electric rates.

The Town Manager said the new ordinance addresses both of these issues: (a) by changing the power cost adjustment factor so that the PCA factor will be adjusted from month to month over a rolling 6 month period to help with any significant fluctuations to utility customers; and (b) adding a line loss factor to be inserted into the equation for the power cost adjustment to take into account transmission line losses as recommended. The existing PCA factor is a set amount based on future projections which can be increased or decreased only by an ordinance adopted by the Town Council. The new 6 month rolling average PCA formula is designed to capture changes in current power costs based on actual changes in costs, including increases and decreases, and the PCA adjustment will be made automatically based on actual costs rather than requiring the Council to make changes based upon projections. Mr. Kolakowski said that Council was requested to adopt the proposed ordinance

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On motion by Councilman Black, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the ordinance regarding a change in the Electric Tariff (PCA). Roll call vote follows:

Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Mayor Wandrei	absent

The ordinance follows as adopted:

ORDINANCE NO 15-18

AN ORDINANCE AMENDING THE ELECTRIC TARIFF OF THE TOWN OF BEDFORD TO INCLUDE A REVISED POWER COST ADJUSTMENT SCHEDULE

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BEDFORD, VIRGINIA:

Section 1. The Electric Tariff of the Town of Bedford is hereby amended and re-enacted to include the following revised schedule for Power Cost Adjustment to replace the Power Cost Adjustment enacted on March 28, 2008, effective April 1, 2008.:

TOWN OF BEDFORD, VIRGINIA SCHEDULE P.C.A. (ROLLING POWER COST ADJUSTMENT)

APPLICABILITY:

The Power Cost Adjustment (PCA) shall be applicable to and become part of each electric rate schedule in the tariff except Schedule O.L.

METHODOLOGY:

The PCA is a monthly adjustment applied to each electric consumer bill that is based upon individual kilowatt-hour consumption and on the varying cost of purchased power. Several conditions affect the cost of energy: weather, demand, transmission costs, contract stipulations, etc. When there are increases in power costs, the PCA allows recovery of those costs. If the cost of generating and purchasing power decreases, decrease costs are passed along to the customers as well.

A 6-Month Rolling Average PCA formula is designed to better capture changes in current power costs. In this formula actual power supply costs are analyzed over the previous six months and any changes in power costs from the base rate schedules are passed to customers on a kWh basis. The PCA is then adjusted on a monthly basis on the first of each month accordingly. The changes in costs are “smoothed out” over a rolling

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6-month period to help with any significant fluctuations to utility customers. The amount charged for each kWh of energy sold by the Town of Bedford may be increased or decreased in accordance with the following:

FORMULA

The amount charged for each kWh of energy sold by the Town of Bedford as set forth in the applicable schedules to this tariff shall be increased or decreased in accordance with the following PCA adjustment:

$$PCA = ((C/P) \times (1+L)) - B$$

Where:

PCA= Power Cost Adjustment Factor

C = Current and previous 5 months purchased power costs. This represents the dollar amount we paid our supplier for power. The “current month” is the last month for which we have paid a power bill to our supplier (i.e., one calendar month ago).

P = Current and previous 5 months total purchased power kWh units. This represents the amount of power the Town purchased, not its dollar value. $C \div P$ dollar cost per kWh (kilo Watt hour, standard measure of power usage).

L = Line Loss factor. This factor is calculated to reflect average distribution line losses.

B = This is the base fuel cost which is the average cost of wholesale power per kWh purchased by the Town of Bedford which is recovered in the Town of Bedford’s retail rate schedules.

Power cost in kWh used in the above formula may exclude such quantities applicable to certain customers billed under rate schedules not subject to the PCA factor.

Section 2. All of the terms of the existing tariff and rate schedules, including the rate schedules enacted on February 24, 2015, effective March 1, 2015 except as modified herein, are re-enacted and shall remain in effect.

Section 3. Severability. If any clause, sentence, paragraph or part of this Ordinance shall for any reason be adjudged by any court of competent jurisdiction be invalid, such judgment shall not affect, impair, or invalidate the remainder of the tariff, but shall be confined in its operations to the clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment shall have been rendered, and such invalid term clause or provision shall be construed to most closely reflect the original intent of the ordinance.

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Section 4. This ordinance is effective as of July 8, 2015 and shall apply to all billings from and after August 1, 2015.

The Town Manager said the Town's written position on Equal Opportunity needs to be updated on a regular basis. When approved by Town Council, the signed written statement is posted on the Town's Legal Posting Board in the Municipal Building. Legal counsel has reviewed and approved the proposed updated Equal Opportunity Statement. Town Council is requested to approve the written statement as the Town's position on Equal Opportunity.

On motion by Councilman Hailey, seconded by Vice Mayor Rush, voted upon and carried by a roll call vote, Council approved the written statement as the Town's position on Equal Opportunity. Roll call vote follow:

Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Mayor Wandrei	absent

The Equal Opportunity Employer Statement follows as adopted:

Town of Bedford Equal Opportunity Employer Statement

The Town of Bedford is an Equal Opportunity Employer, and hereby affirms that it is the policy of the Town to maintain and promote equal opportunity and diversity for all employees, applicants for employment and contractors in accordance with the relevant federal and State Laws.

The Town will not discriminate on the basis of race, religion, color, national origin, sex, age, disability, marital status, veteran status, sexual orientation, ancestry, or citizenship status.

In support of a diverse workforce, decisions as to hiring, promotion and other aspects of the employment relationship will be based solely upon job related qualifications.

The Town will not tolerate any kind of harassment of employees or retaliation against an employee who brings a complaint forward. Allegations of harassment will be taken seriously, promptly investigated, and appropriate action taken depending on the severity of the situation.

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Town Manager Kolakowski read aloud the following proposed resolution endorsing a Community Business Growth Grant Application.

**RESOLUTION
BEDFORD TOWN COUNCIL
TO ENDORSE COMMUNITY BUSINESS GROWTH
GRANT APPLICATION**

WHEREAS, be it hereby resolved by the Bedford Town Council that it supports the application for a Community Business Growth grant application.

NOW, THEREFORE, the Town of Bedford and commits to provide the required twenty-five percent (25%) matching portion if the application is successful.

A brief discussion ensued regarding what part of the budget the twenty-five percent will come from. The staff explained.

On motion by Councilman Hailey, seconded by Councilman Black, voted upon and carried, Council adopted the resolution supporting the application for a Community Business Growth grant application. Roll call vote follows:

Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Mayor Wandrei	absent

The Town Manager read aloud the following proposed resolution:

**RESOLUTION
BEDFORD TOWN COUNCIL
TO HOLD WORKSHOP SESSIONS**

WHEREAS, be it hereby resolved that the Bedford Town Council will meet in workshop sessions on the evenings of July 28, August 25, and September 22 from 5:30 p.m. to 7:00 p.m.

NOW, THEREFORE, these sessions will be held prior to the regular Council meeting and no formal action will occur. These sessions are for informational and discussion purposes on topics of general interest to the Council.

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On motion by Councilman Hailey, seconded by Councilman Carson, voted upon and carried by a roll call vote, Council adopted the resolution to hold workshop sessions.

Councilman Black stated these will be open public meetings. The Town Manager said there is a provision for going into closed sessions.

Roll call vote follows:

Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Mayor Wandrei	absent

Councilman Hailey moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(3) of the Code of Virginia of 1950, as amended, for the acquisition or disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position. Councilman Black seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Mayor Wandrei	absent

Council adjourned into closed session at 7:20 p.m. The following non-council members attended: Town Manager Kolakowski, Town Attorney W. W. Berry, IV, and Assistant Town Manager, Barrett Warner

Council reconvened into open session at 7:35 p.m.

The Clerk of Council read aloud the following resolution:

BE IT RESOLVED that the Council of the Town of Bedford hereby certifies that (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

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On motion by Councilman Black, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Mayor Wandrei	absent

Vice Mayor Rush adjourned the meeting at 7:36 p.m.